

**APPENDIX A**

**Audit Commission Recommendations**

Recommendation	Responsibility	Comments	Timescale
<p>Review the governance arrangements within NCH and retained Housing Services in the City Council to ensure they are both adequate and operating effectively in respect of:</p> <ul style="list-style-type: none"> <li>• the declaration of interests in a formal register;</li> <li>• rules on avoiding involvement in cases where a personal interest or a personal association may be involved;</li> <li>• procedures for dealing with bullying and harassment;</li> <li>• procedures to allow</li> </ul>	<p>Director of Legal and Democratic Services</p> <p>Director of Housing and Regeneration</p> <p>NCH Board and Executive Management Team</p>	<p><b><u>NCC</u></b> A review will be carried out, and may involve examining and improving internal processes and terms and conditions of employment of officers generally.</p> <p>Councillors are bound by the Code of Conduct and have obligations to formally register interests in a public register which is available on the Council's web site.</p> <p><b><u>NCH</u></b> Governance arrangements were reviewed and new arrangements were approved by the NCH Board in 2007. These include the introduction of a new Board and committee structure as well as a robust system of company standing orders.</p>	<p>3 months</p> <p>Completed</p> <p>Completed</p>

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<p>staff to raise issues confidentially (whistle blow) when they encounter irregularities or other issues of concern.</p>		<p>There is a formal register of interest for all NCH employees and board members. This is held by the Company Secretary. Anyone who has a personal interest in a company, or in a person undergoing the recruitment process, should make it clear to their executive director.</p>	Completed
		<p>Employees and board members who have a personal interest, financial or otherwise, in a company, organisation or person, declare this as soon as they are aware the company is dealing with them.</p>	Completed
		<p>The City Council and NCH have established grievance and harassment and discrimination procedures for their respective organisations. These procedures are available to all employees through their intranet websites and are also given to all new employees.</p>	Completed
		<p>The City Council and NCH both have whistle blowing policies to allow employees to raise issues confidentially. This is available on the intranet of both organisations, and each refer to it as their 'Confidential Reporting Code'. For both City and</p>	Completed

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		<p>NCH this is provided to employees on their induction. NCC will review the awareness and content of the procedures.</p>	<p>3 months</p>
<p>Ensure that adequate and proportionate audit trail arrangements are in place to prevent allocations being made inappropriately in future.</p>	<p>NCH Director of Housing</p>	<p>The allocation of properties is undertaken by NCH in accordance with the City Council's policy. There is a complete audit trail for every allocations decision that includes established and robust scrutiny and monitoring systems.</p> <p>All allocation decisions are monitored monthly. Lettings managers meet with the NCH Director of Housing / Assistant Director of Housing to check the appropriateness of offers and correct application of procedures. These meetings focus on:</p> <ul style="list-style-type: none"> <li>• Adherence to allocations policy and procedures</li> <li>• Scrutiny of allocations panel cases and decision</li> <li>• Reconciliation of all new tenancies with relevant approval, e.g. if tenancy offered via manual offer, reconcile with approval to make</li> </ul>	<p>Completed and subject to ongoing review.</p>

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		<p>a manual offer and to monitor allocations in general.</p> <p>IT systems provide an audit trail to enable the identification of all employees who have made amendments.</p> <p>NCH has also introduced a 'related parties' procedure. Any applications and offers from employees, board members, councillors and relatives are maintained by a central team. Any offers are scrutinised before an offer is made. Approval must be given by the NCH Director of Housing / Assistant Director of Housing (for employees) and Director of Housing/ Chief Executive (for board members and others) to make sure there is no preferential treatment.</p>	Completed
Ensure that the procedures governing manual allocations are operating in a proper manner and that adequate records are being maintained in support of these allocations	NCH Director of Housing	<p>All manual offers are:</p> <ul style="list-style-type: none"> <li>• Approved and ratified by the Allocations Panel.</li> <li>• Reconciled with the original approval to make a manual offer.</li> <li>• Recorded electronically to provide a full audit trail. This is backed up using manual</li> </ul>	Completed

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decisions.		<p>systems.</p> <ul style="list-style-type: none"> <li>• Monitored on a monthly basis and scrutinised by Director of Housing / Assistant Director of Housing.</li> <li>• Reported to the Performance and Regulatory Committee of the Board every three months</li> </ul> <p>In 2007 NCH undertook a review of HomeLink and this was also subject to scrutiny from the Council's Overview and Scrutiny Committee. Outcomes and recommendations from the review have been incorporated in the Service Improvement Plan and a joint NCC/NCH allocations and Homelink Action Plan.</p>	
Ensure that procedures prevent inappropriate restrictions on offers of housing being entered into the computerised allocations system and that adequate records are being maintained in support of decisions made.	NCH Director of Housing	All restrictions are checked thoroughly as part of our allocations monitoring arrangements. These are reported to the NCH Director of Housing / Assistant Director of Housing on a monthly basis.	Completed

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Ensure the procedures for the recruitment of temporary staff through the First Call agency are now operating in a proper manner, to minimise the risk of patronage or favouritism occurring.	Head of HR Shared Services (NCC)  NCH Executive Management Team	Management of First Call was taken over by Human Resources early in 2008 and disbanded in August 2008.  NCH no longer uses the service. Employees are either recruited through professional recruitment agencies or through direct advertising.	Completed
Ensure there are mechanisms in place that require councillors to register any potential conflicts of interest when seeking to advocate on behalf of local constituents.	Director of Legal and Democratic Services	The Code of Conduct applies to all City Councillors and training is provided on it. There is also a statutory public register of interests for councillors. Specific guidance will be developed to address issues arising in this investigation. Develop guidelines on housing allocations casework and ask the Standards Committee to consider the appropriateness of these.	3 months
The Council and NCH should also consider in detail the individual cases reported here and determine what action is necessary, particularly regarding the legitimacy of tenancies and right-to-buy	Director of Housing and Regeneration  NCH Executive Management Team	The individual cases highlighted in the District Auditor's report will now be thoroughly investigated and the Council and NCH will take appropriate action where this is necessary. Regular updates will be provided to the Executive Board. This will include referral to the police or other legal action wherever possible and in the public interest.	A joint NCC/NCH investigation will be undertaken.

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purchases.		<p><b>Update</b>  The District Auditor's report identified concerns in a number of areas including the allocation of properties and employment matters.</p> <p><b>Employment</b>  Consultants have been recruited by the City Council and Nottingham City Homes to investigate the employment related matters. The outline timetable is as follows:  Week commencing  23/02/2009 – Consultants to commence work  09/03/2009 – Initial analysis, including preliminary opinion of key casework    20/03/2009 – Complete investigation and analysis of key casework    27/03/2009 – Establish scope of and timetable for remaining investigation.    Counsel advice has been sought on the employment related cases identified in the District Auditor's report. Counsel has recommended that a</p>	

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		<p>number of existing employees across both organisations are investigated further. To this aim an independent consultant has been appointed to investigate each case.</p> <p>An independent counselling service will shortly be in place to deal with staff concerns as investigations are carried out.</p> <p>Counsel has also highlighted 34 property/allocations related cases for further investigation. NCH/NCC officers will meet shortly to discuss how these should be dealt with.</p> <p>Further cases are likely to arise as the investigation progresses.</p> <p><u>Allocation of properties</u> A meeting was held on 10 February with Nottinghamshire Police to discuss the District Auditor's Section 8 Report, the details of the individual cases featured in the report and the level of evidence gathered. The Police have been provided with copies of all relevant documentation and are to consider if there is evidence of</p>	

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		criminality. It may be some time before they are in a position to formally respond to this matter.	